



CITY OF HOUSTON
FINANCE DEPARTMENT
Strategic Procurement Division

Sylvester Turner

Mayor

John J. Gillespie
Chief Procurement Officer
P.O. Box 1562
Houston, Texas 77251-1562

T. 832.393.9126
F. 832.393.8755
<https://purchasing.houstontx.gov>

March 3, 2016

SUBJECT: Letter of Clarification No. 2
Disparity Study

REFERENCE: RFP No.: S33-T25658

TO: All Prospective Respondents

This Letter of Clarification is issued for the following reasons:

1. To replace in their entirety, pages 5, 8, 11, 19, 20, 31 and 33 of the solicitation with the attached pages 5, 8, 11, 19, 20, 31 and 33 marked Revised, February 25, 2016.

Changes were made to the following sections:

- Page 5, section 2.4
 - Page 8, section 6.1.4.2, "service disabled" added
 - Page 11, section 6.1.27
 - Page 19, section 4.1 (b)
 - Page 20, 4.2 (e and f) and Part IV, 1.1
 - Page 31, Note: (or eligible for certification) removed
 - Page 33, entire page modified
2. To replace in its entirety, Sample Study Data with a revised version and to advise all vendors to disregard all previous versions. The preliminary report requested on page 5, section 2.4 of the RFP must be developed using the revised version. All prospective vendors are asked to contact Conley Jackson at conley.jackson@houstontx.gov and Katrina Williams at katrina.williams@houstontx.gov to obtain a copy of the revised document.
 3. To extend the solicitation due from March 10, 2016 at 2:00 pm, to March 17, 2016 at 2:00.
 4. Provide a response to the following questions.

**RFP
Section**

1.

Question	You provided data files without explanation of what those files are or what they contain. Can you provide further keys or explanations of the data sets provided and what they contain?
Response	The following below includes further description of the data files provided: <ul style="list-style-type: none">• Certified Firms FY2012-FY2016YTD - This data file includes a list of all firms certified during this time frame.

RFP Section

- Concessions sample – This includes one month of sample data from each year for HAS concessions during FY2012-FY2016YTD.
- Contract List FY2012-FY2016YTD – This data file includes all contracts awarded and paid during this timeframe.
- Contract Work Categories FY2012-FY2016YD – This includes the identification number and description of work categories assigned to contractors.
- Contracts with Waivers FY2012-FY2016YTD – Currently waivers of contract goals are approved by OBO. This file includes all waivers approved which include inter-local contracts, DIR, sole source, drop ship, non-divisible, cooperative purchasing contracts and etc.
- P-Cards Data sample – This data file includes one month of sample data from each year for P-Cards during FY2012-FY2016YTD.
- Purchase Order Data sample – This data file includes one month of sample data from each year for POs during FY2012-FY2016YTD.

2. **Question** The data file listed as “Contract list” has fields for subcontractor payments and total payments. There is no field labeled for contract amount.

- a. Do any of the payments fields contain the contract amount?
- b. Are the subcontractor payments reflective of all subcontractor payments or just certified?

Response a. The “Contract List” data file provided includes both the contract award and contract payment data. Column AE reflects the divisible amounts awarded to each prime & sub (this is the same as total contract amount in column E). Column AG reflects the divisible amounts actually paid to each prime & sub (this is the same as the total payments in column F). **Note:** The header for column AE states “Sub-contractor Value” but as mentioned above it actually includes the divisible amounts for the prime & sub.

- b. The data sets include payments and awards to prime and subcontractors. Column Q of the “Contract List” indicates who the prime and subcontractors were. Column X indicates which subs were certified at the time of the contract and count for credit towards the goal.

3. 2.4 **Question** Please define what is meant by “validation” of the City’s data. Are you asking us to perform a preliminary analysis or just report on the quality of the data provided?

Response As part of their submission, proposers must provide a preliminary report that provides an analysis of the city's current awards/payment data and identifies potential data quality issues or risks that may affect the ability to perform a proper utilization analysis.

4. Page 6, 3.3 **Question** References: it requests at least five references. Is this information to be provided on Exhibit I-References, List of Previous Customers? If so, the form only has space for 4 references. Please clarify.

Response Please include a list of five (5) reference using the sample format provided on Exhibit I - References

5. 3.5 **Question** Does licensed attorney or law firm with experience have to be licensed in Texas?
Response Section 3.5 **Legal Counsel**, does not require that the attorneys be licensed by the State of Texas.

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**RFP
Section**

6. Page 6, 3.6 **Question** Litigation Report-please clarify this requirement.
- Response** Proposers shall provide a list and disposition of any state or federal cases (litigation) in which its analysis, research or findings in disparity studies was used or in which its analysis, research or findings in disparity studies was the subject of the litigation.
7. 5.3 **Question** This seems to imply that you want this information for all of Texas, which would be quite voluminous. Please define the geographical territory and time period for which you want this analysis
- Response** Please refer to section 2.3 of the RFP which defines the timeframe as FY2012-FY2016YTD. Please also refer to the definition of Relevant Geographic Market Area as indicated in section 10. This is limited to contractors, vendors in the RGMA and limited to municipalities and counties with a population of 100,000 or more.
8. 6.1.4 **Question** Uses the number of prime and subs to determine relevant market. Are you open to a different methodology to determine the geographic relevant market?
- Response** The City is looking for proposers to suggest other options, where appropriate, as well as provide justification for using other methods. The valuation Criteria, section 4.0, page 19 of the RFP states proposers will be evaluated based on the quality of their proposed plan of action including but not limited to their strategy of conducting the disparity study.
9. 6.1.19 **Question** Are all dollars to be included in the sample, meaning every purchase down to \$1.00 or is there some cut off, under which will not be included in the Study.
- Response** The city has available all of the transaction data ranging from \$1.00 to \$50,000 for the study period, the data set includes more than 170 thousand P-card transactions and approximately 20 thousand PO transactions. The City would like the proposer to determine an adequate sample from these transactions that will inform recommendations for inclusion in the City's program.
10. 6.2.2 **Question** Our experience is that it may take up to 3 months or more to collect all of the data from the City. Are you open to us proposing a later date for providing the validation of the data provided by the City?
- Response** The city is looking for proposers to provide their timeframe on how long it will take them to conduct the entire study. The selected consultant shall provide a detailed report to include an analysis of the City's current awards and payment data and identify any potential data quality issues or risks that may affect the ability to perform a proper utilization analysis.
11. 6.2.10 **Question** Can a telephone survey be replaced by an on-line survey?
- Response** The City is looking for the selected consultant to make recommendations on their proposed strategy which may include a variety of methods to obtain anecdotal information including but not limited to phone, in person, mail, etc., as long as method(s) result in a legally defensible and sound Study.
12. 9.1 **Question** Should the price proposal include a proposed payment schedule?
- Response** No.
13. Page 20, 1.0 **Question** Instructions for Submission, item 1.1: Please clarify the number of printed copies of the proposal are to be submitted--is it 1 printed original signed in blue ink and 6 printed copies for a total of 7 printed proposals?

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**RFP
Section**

Response Number of Copies. Please submit **Eight (8)** copies of the Proposal; one (1) printed original signed in BLUE ink, and **seven (7)** electronic thumb drives are to be submitted in a sealed envelope bearing the assigned Solicitation Number, located on the first page of the RFP document to:

**City Secretary's Office
City Hall Annex, Public Level
900 Bagby Street
Houston, Texas 77002**

14. Page 20, 1.3 **Question** Format: it says the proposal is to be left bound. Is a 3-ring binder acceptable?
Response Yes
15. Page 22, 2.8 **Question** Financial Stability: if a firm does not have audited financial statements, please clarify what documents must be submitted.
Response Certified balance sheets for the respective years are acceptable.
16. **Question** Exhibit IV, Affidavit of Ownership and Control: Is respondent to complete the first 2 blanks on the form, labeled "Orig. Dept." and "File/I.D. No."?
Response No, please leave blank
17. 2.4 **Question** Requires the proposer to submit a "preliminary draft report on the validation of the City current data on M/WBE, SBE, PDBE, DBE and ACDBE availability and utilization in the relevant geographic market area." Please clarify what is meant by "validation."
Response As part of their submission, proposers must provide a preliminary report that provides an analysis of the city's current awards/payment data and identifies potential data quality issues or risks that may affect the ability to perform a proper utilization analysis.
- Response** a. Please see the data file provided by the city titled "Certified Firms". As reflected in column U, the City currently tracks all certifications—including firms classified as Persons with Disabilities Business Enterprise (PDBE), which is inclusive of disabled veterans. While, the City has not historically tracked this information, we recently added the capability to track utilization of PDBEs on contracts. Additionally, we have the capability to go back and identify utilization for firms identified as PDBEs for the entire study period.
- b. Yes, while the US Constitution has not established that neither Disability nor Veteran classifications are subject to strict scrutiny under the 14th Amendment, the City would still like to explore the feasibility of increasing participation of these groups in our program. The City currently has a program in place for the disabled and for service-disabled veterans. Proposals should include analysis and a recommendation for determining participation that is backed by a variety of methods, including anecdotal and qualitative analysis.

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**RFP
Section**

19. 6.1.5 **Question** Refers to a “comprehensive review of all the City’s construction, professional services, goods and services and airport concessions contracts including liner-local agreements, Houston Galveston Area Council (HGAC), Department of Information Resources (DIR), etc., and contracting policies, procedures, and practices contracting records and contract files for the Study period.” Does the City mean for the consultant to examine each and every individual contract, contract record and contract file entered into during the Study period?
- Response** No, the City does not require that every individual contract be examined, however, the consultant should assess a substantial percentage of all contracts to make the necessary determinations
20. 6.1.14-16 **Question** Refer, respectively, to “calculation of the share” of construction projects, professional service projects and goods and services purchasing projects. Is what is mean the utilization of each racial and ethnic group and gender on City contracts and associated subcontracts?
- Response** The “calculation of share “refers to the availability vs. utilization of certified firms in the relevant geographic market. Please see section 10 of the RFP which provides further clarification and a definition the term “utilization”.
21. 6.1.19 **Question** States that due to the volume of small dollar contracts, the proposer need only sample such contracts.
- a. What is the annual volume of small dollar contracts during the Study period?
- b. Given that it is not possible to create a sample without examination of the whole from which the sample is drawn, this implies that contracts under \$50,000 must be analyzed. Will the City accept a proposal that excludes such contracts from the statistical analyses but includes them in the qualitative data collection and analyses and the review of City policies and procedures, and provides recommendations for equal access to such contracts?
- Response** a. The study period includes more than 170 thousand P-Card transactions which range between a total of \$8M-\$15M per year. There are approximately 20 thousand PO transactions which range between a total of \$10M to \$35M per year.
- b. Yes, please see response to question #9.
22. 6.1.23.1 **Question** Refers to firms that have “graduated from the program.” Does the City maintain data on such firms? If so, what records are maintained (*e.g.*, a list of such firms; their utilization on City contracts as prime contracts and associated subcontracts, etc.)?
- Response** Please see the data file provided by the city titled “Certified Firms” which reflects the companies that have graduated from the program. This can be compared to the file provided by the city titled “Contract List” to determine which graduated firms have received contracts including any prime or subcontracts awarded.

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**RFP
Section**

23. 6.1.27 **Question** Refers to an “econometric analysis of statistical disparities concerning access by M/WBE, SBE, PDBE, DBE and ACDBE firm’s access to commercial capital, credit, bonding and business, family and social networks.”
- a. Given that no such statistical data exist for SBE and PDBEs, will the City accept a proposal that explores these issues through anecdotal and qualitative data collection and makes recommendations based on the results?
 - b. Given that no such statistical data exist for any firms by ownership regarding access to surety bonding and business, family and social networks, will the City accept a proposal that explores these issues through anecdotal and qualitative data collection and makes recommendations based on the results?
 - c. Given that extensive national research has been conducted by well-respected economists on race-based barriers to access to business credit, and that to duplicate such research specifically for the RGMA will be expensive and time consuming and unlikely to yield results different from those already documented in national studies, will the City accept a proposal that explores these research results and addresses issues specific to the RGMA through anecdotal and qualitative data collection and makes recommendations based on the results?
- Response**
- a. The city will revise the RFP to exclude SBEs and PDBEs. See attached page 11, marked “Revised, February 25, 2016.
 - b. The city will revise the RFP to exclude SBEs and PDBEs. See attached page 11, marked “Revised, February 25, 2016.
 - c. The analysis of any statistical disparities must meet the standards for a legally defensible disparity study as set forth in *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989) and its progeny. Accordingly, the use of existing national research is acceptable as a base; however the analysis must be directly correlated to the RMGA and the City of Houston programs, setting forth what specific conditions exist in the RGMA.
- 24 **Question** What is the dollar volume and number of contracts valued at \$50,000 and above for each year of the Study period, by the categories of construction, professional services, goods and services and airport concessions contracts?
- Response** The following below provides the totals for construction, professional services, goods and services contracts each year of the study period.
- FY2012 - Approximately 450 contracts valued over \$1.8B.
 - FY2013 - Approximately 425 contracts valued over \$1B.
 - FY2014 - Approximately 415 contracts valued over \$1.7B.
 - FY2015 - Approximately 345 contracts valued over \$1.1B.
 - FY2016YTD - Approximately 110 contracts valued over \$425M
 - FY 2014 – 2 Airport Concession contracts
 - FY 2015 – 9 Airport Concession contracts expected revenue valued at approximately \$1.6 billion

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**RFP
Section**

25. **Question** Is the City gathering and tracking the same data for non-certified firms as for certified firms during the Study period?
- Response** The city does not collect this information consistently on all contract types. Once the consultant makes observations on data quality the city expects the proposer to make recommendations to ensure the integrity of the study.
26. **Question** If the SBE preference was utilized on a contract, will the contract record contain this information?
- Response** The data file provided by the City titled “Contract List” which indicates any certification type utilized for credit including SBEs. However, there are contracts in which SBEs were not utilized to fulfill an “SBE preference”; they were used beyond fulfillment of the MBE and/or WBE goals.
27. **Question** Exhibit IV refers to “Orig. Dept.” and “File/I.D. No.” Please clarify what a proposer should fill in for these items.
- Response** No, please leave blank.
28. Page 21,
 Part IV,
 1.6 **Question** (Timely delivery of proposals), the RFP states that packages delivered by express delivery service must be delivered to the “designated building.” Should FedEx boxes be delivered to:
- a. The address on the cover sheet of the RFP;
- b. The address in Part IV, 1.1 of the RFP (page 20 of the RFP); or a different address altogether?
- Response** a. No, see page 20, section 1.1
- b. Yes
- c. N/A
- 29 Page 24,
 Part VII,
 2.0 **Question** Requests “signed M/WBE” forms including Attachments A, B, C and D of Exhibit II. However, Attachments C and D of Exhibit II (page 33-34) do not have signature blocks. Do Attachments C and D require prime consultant or sub-consultant signatures?
- Response** Prime contract must complete.
30. Page 36 **Question** Exhibit III, Form A: Fair Campaign (page 36 of the RFP) does not have a line for entering a Limited Liability Company. How should an LLC complete the form?
- Response** Use “A Partnership” section, line thru title and add LLC
- 31 Page 22,
 Part IV,
 2.13 **Question** Please describe the number of copies and format for the separate Price Proposal (Part IV, 2.13 on page 22 of the RFP). As it will be limited to a few pages, can the Price Proposal be stapled?
- Response** One copy, please do not staple.
32. Page 22,
 Part IV,
 2.11 **Question** Will key web links be acceptable for “other” information submittal?
- Response** No. Please provide the information in a written format.
33. **Question** Limited Liability Companies and other closely-held companies do not typically prepare audited financial statements. We are confirming that our company can just submit federal tax returns to comply with Part IV, 2.8 of the RFP (page 22). Is this correct?
- Response** Certified balance sheets for the respective years are acceptable.

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When issued, Letter(s) of Clarification shall automatically become a part of the solicitation documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. All revisions, responses, and answers incorporated into the Letter(s) of Clarification are collaboratively from both the Strategic Procurement Division and the applicable City Department(s). It is the responsibility of the respondent to ensure that it has obtained all such letter(s). By submitting a proposal on this project, respondents shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into their proposals.

If you have any questions or if further clarification is needed regarding this solicitation, please contact me.

Sincerely,



Conley Jackson
Senior Procurement Specialist
Strategic Purchasing Division
832-393-8733

END OF LETTER OF CLARIFICATION 2

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Council Members: Helena Brown Jerry Davis Ellen Cohen Wanda Adams Mike Sullivan Al Hoang Oliver Pennington Edward Gonzalez
James G. Rodriguez Mike Laster Larry Green Stephen C. Costello Andrew Burks Melissa Noriega C.O. "Brad" Bradford
Jack Christie **Controller:** Ronald C. Green

- d) The utilization by the City of M/WBE, SBE, PDBE, DBE and ACDBE in contract and procurement activities.
- e) Determination of a basis by which the City will originate goals that applies to the participation of M/WBE, SBE, PDBE, DBE and ACDBE.
- f) If race- or gender-neutral and/or economically based measures alone would not be effective to remedy such discrimination, the proposer will, by rigorous and applicable statistical methods, determine the bases, and the mathematical or statistical formula(s), to be applied in formulating the City's diversity goals for its M/WBE Program. The resultant formula should effectively offset past and present discrimination against M/WBE, SBE, PDBE, DBE and ACDBE while remaining sufficiently narrowly tailored to refrain from needlessly violating the rights of non- M/WBE, SBE, PDBE, DBE and ACDBE or their owners.

2.0 STUDY OVERVIEW

- 2.1 The selected proposer will perform a comprehensive, effective and legally supportable Study and provide a report for the City that satisfies the constitutional test for judicial "strict scrutiny" as expressed by the U.S. Supreme Court in *City of Richmond v. J.A. Croson*, 488 U.S. 469 (1989), and subsequent rulings issued by Texas state and federal courts (including the Fifth Circuit Court of Appeals).
- 2.2 The Study will evaluate the extent of marketplace discrimination, if any, against M/WBE, SBE, PDBE, DBE and ACDBE regarding their participation in the City's procurement of goods and services and professional services as well as construction contracts and Houston Airport System concession contracts.
- 2.3 The Study will be based on four and a half years of historical data, from July 1, 2011 to December 31, 2015. The study should include statistical analysis, empirical evidence and an assessment of any anecdotal and qualitative evidence of discrimination.
- 2.4 As part of their submission, proposers must provide a preliminary draft report on the validation of the City's current data on M/WBE, SBE, PDBE, DBE, and ACDBE availability and utilization in the relevant geographic market area that provides an analysis of the city's current awards/payment data and identifies potential data quality issues or risks. Upon request, City shall provide proposers with a representative data sample from its B2G Now system (cloud based software that manages government diversity programs).
- 2.5 The selected proposer shall commence work within ten (10) calendar days following the City's approval of the contract for the study. The successful proposer shall complete and deliver to the City an initial draft of the study not later than sixteen (16) months from commencement, and a final report not later than sixty (60) days from receipt of the City's review and feedback of draft. The proposer should demonstrate the benefits of amending these dates if different dates are suggested.

3.0 PROPOSER CREDENTIALS

3.1 Profile

Each proposal must include a profile of the proposer's experience developing and conducting disparity, availability and utilization studies of M/WBE, SBE, PDBE, DBE and ACDBE. Proposers should demonstrate their ability to meet the constitutional requirements promulgated in *City of Richmond v. Croson* and subsequent cases. Profiles shall include, but not be limited to, any experience of proposer's personnel serving as designated testimonial or consulting expert witnesses under the Federal Rules of Civil Procedure or comparable state rules, in *Croson* litigation or other lawsuits challenging race- or gender-conscious contracting programs.

PART III – EVALUATION AND SELECTION PROCESS

An evaluation committee will evaluate responsive proposals in accordance with the evaluation criteria listed below. Upon completion of the evaluation, the committee may develop a short list of Proposer(s) meeting, but not limited to; the qualifications, experience and proposed solutions requirements. Price proposals of those shortlisted will be evaluated/scored once they are identified by the evaluation committee. The shortlisted Proposer(s) may be scheduled for a structured oral presentation, demonstration and/or interview. Such presentations will be at no cost to the City of Houston. At the end of the oral presentation, demonstration and/or interview, the evaluation of the shortlisted Proposer(s) will be completed. However, the evaluation committee reserves the right to issue letter(s) of clarification when deemed necessary to any or all Proposer(s). The oral presentations, demonstrations and/or interviews may be recorded and/or videotaped.

1.0 Interviews/Oral Presentations

The City reserves the right to request and require that each Proposer provide a final presentation of its proposal at a scheduled date and time. No Proposer is entitled to this opportunity, and no proposer will be entitled to attend presentations of any other Proposer. The purpose of the presentations is to inform the work of the evaluation committee. If necessary, Proposers may be required to make more than one presentation or demonstration.

2.0 Selection Process

Upon review of all information provided by shortlisted proposers, the evaluation committee will make a recommendation for selection to City officials. The City reserves the right to check references on any projects performed by the proposer whether provided by the proposer or known by the City. Selected proposal will be submitted for approval by the appropriate City officials. The City of Houston intends to select a proposal that best meets the needs of the City and provides the overall best value. Upon approval of the selected Proposer, a contract will be executed by the appropriate City officials.

3.0 Best and Final Offer

City reserves the right to request a Best and Final Offer from finalist Proposer(s), if it deems such an approach necessary. In general, the Best and Final Offer would consist of updated costs as well as answers to specific questions that were identified during the evaluation of Proposals.

If City chooses to invoke this option, Proposals would be re-evaluated by incorporating the information requested in the Best and Final Offer document, including costs, and answers to specific questions presented in the document. The specific format for the Best and Final Offer would be determined during evaluation discussions. Turnaround time for responding to a Best and Final Offers document is usually brief (i.e., five (5) business days).

4.0 Evaluation Criteria

4.1 Responsiveness of Proposal

- a. Proposal shall be responsive to all material requirements that will enable the evaluation committee to evaluate proposals in accordance with the evaluation criteria so as to make a recommendation to City officials.
- b. *Quality of proposed sub-contractors, including certified M/WBE firms*

4.2 Technical Competence

- a) Quality of overall proposed plan of action, including but not limited to strategy, understanding of RFP technical requirements, and quality assurance control measures.
- b) Quality of proposed approach to provide the deliverables outlined in the RFP.

- c) Qualifications and experience of key personnel assigned as evidenced by their credentials and role in like projects.
- d) Financial stability of the proposer
- e) *Quality of the preliminary report*
- f) ~~Quality of proposed sub-contractors, including certified M/WBE firms~~

4.3 Price Proposal

Enclosed in a separate sealed envelope marked "Price Proposal". The price proposal shall include a detailed budget for each of the following:

- a) Project Kickoff, Initial Analysis and Validation of City Data
- b) Legal Analysis and Update, Review City Policies and Procedures
- c) Data Collection, Cleanup, Obtain Missing Data, Collect Subcontract Data and Analysis
- d) Analysis of Geographic Market Area
- e) Private Sector Analysis
- f) Anecdotal Data Collection, Public Meetings
- g) Conduct Availability and Utilization
- h) Analysis and Statistical Significance Tests
- i) Develop Narrowly Tailored Remedies and Recommendations
- j) Draft Disparity Study Report
- k) Presentation of Final Disparity Report and Written Recommendations

Note: Price will not be used to determine the shortlisted proposers

PART IV – SUBMISSION OF PROPOSAL

1.0 Instructions for Submission

- 1.1 Number of Copies. Please submit ~~seven (7)~~ **eight (8)** copies of the Proposal; including one (1) printed original signed in BLUE ink, and additional ~~seven (7)~~ **eight (8)** electronic thumb drives are to be submitted in a sealed envelope bearing the assigned Solicitation Number, located on the first page of the RFP document to:

**City Secretary's Office
City Hall Annex, Public Level
900 Bagby Street
Houston, Texas 77002**

The City of Houston shall bear no responsibility for submitting responses on behalf of any Proposer. Proposer(s) may submit their Proposal to the City Secretary's Office any time prior to the stated deadline.

- 1.2 Time for submission. Proposals shall be submitted no later than the date and time indicated for submission in this RFP. Late submittals will not be considered and will be returned unopened.
- 1.3 Format. Proposal should be left-bound with information on both sides of the page when appropriate. Material should be organized following the order of the submission requirements separated by labeled tabs. Expensive paper and bindings are discouraged since no materials will be returned.
- 1.4 Complete submission. Proposers are advised to carefully review all the requirements and submit all documents and information as indicated in this RFP. Incomplete proposals may lead to a proposal being deemed non responsive. Non-responsive proposals will not be considered.

- 6.1 **The selected proposer shall perform and the Study shall include, at a minimum, and without limitation, the following:**
- 6.1.1 An examination of the utilization and availability of M/WBE, SBE, PDBE, DBE and ACDBE in public and private sector construction, professional services and procurement of goods, as applicable, in the RGMA.
 - 6.1.2 A written analysis and opinion on the validity of the City's current data on M/WBE, SBE and DBE and ACDBE utilization.
 - 6.1.3 Definitions of all terms used in the Study;
 - 6.1.4 Determination and analysis of the Relevant Geographic Market Area(s) by industry, for purposes of assessing the availability of prime contractors and subcontractor M/WBE and small businesses including SBE (small businesses enterprise), DBE (disadvantaged business enterprise), ACDBE (airport concession disadvantaged businesses enterprises) and PDBE (persons with disabilities business enterprise) to participate on the City contracts, based upon the narrowly tailored geographic, product market and zip codes where the majority of primes and subs are located; and define the relevant geographic market area based upon the discrete industry or industries from which such purchases are made. Include analysis on the effect of certified prime contractors in obtaining utilization of City-wide M/WBE, PDBE, ACDBE and DBE goals based on a percentage of contract dollars awarded for prime and subcontracts.
 - 6.1.4.1 Determine, within the RGMA, availability of persons with disabilities businesses to participate in City contracts and compare availability to City's current certified directory for Persons with disabilities business enterprises (PDBE). Identify areas of growth and participation, and provide written recommendation on remedies to increase growth participation.
 - 6.1.4.2 Determine, within the Relevant Geographic Market Area, availability of service disabled veterans to participate in City contracts and compare availability to City's current certified directory. Identify areas of growth and participation, and provide written recommendation on remedies to increase growth participation.
 - 6.1.5 A comprehensive review of all the City's construction, professional services, goods and services and airport concession contracts including inter-local agreements, Houston Galveston Area Council (HGAC), Department of Information Resources (DIR), etc., and contracting policies, procedures, and practices contracting records and contract files for the Study period;
 - 6.1.6 Review and analyze prior disparity and availability studies that relate to the relevant market area and, to the extent possible, reconcile or distinguish those studies with the current findings of the Study update;
 - 6.1.7 Interview City staff responsible for issuing contracts for airport concessions, construction, architecture and engineering and other professional services, and the procurement of goods and other services regarding the methods of contracting and types of contracts issued, procurement policies, actual procurement and M/WBE contracting practices, and the market areas covered by solicitations, advertising and mailing;
 - 6.1.7.1 Interview minority and non-minority trade association representatives that may have some insight into general industry and market dynamics that may potentially affect the formation, growth, and participation of M/WBE, and SBE (including PDBE, DBE and ACDBE) firms.

IF YOU HAVE USED YOUR BEST EFFORTS TO CARRY OUT THE CITY'S M/WBE POLICY BY SEEKING SUBCONTRACTS AND SUPPLY AGREEMENTS WITH MINORITY AND WOMEN BUSINESS ENTERPRISES, YET FAILED TO MEET THE STATED PERCENTAGE GOAL OF THIS BID DOCUMENT, LIST BELOW YOUR GOOD FAITH EFFORTS FOR COMPLIANCE (DEFINITION OF REQUIREMENTS CAN BE OBTAINED THROUGH THE OFFICE OF BUSINESS OPPORTUNITY AT (713) 837-9000).

THE UNDERSIGNED WILL ENTER INTO A FORMAL AGREEMENT WITH THE MINORITY AND/OR WOMEN SUBCONTRACTORS AND SUPPLIERS LISTED IN THIS SCHEDULE CONDITIONED UPON AWARD OF A CONTRACT FROM THE CITY.

NOTE:
ALL FIRMS LISTED ABOVE MUST BE CERTIFIED (~~OR ELIGIBLE FOR CERTIFICATION~~) BY THE OFFICE OF BUSINESS OPPORTUNITY.
THIS SCHEDULE OF M/WBE PARTICIPATION SHOULD BE RETURNED, IN DUPLICATE, WITH THE BID FORM.

BIDDER COMPANY NAME

SIGNATURE OF AUTHORIZED OFFICER OR AGENT OF BIDDER

NAME (TYPE OR PRINT)

TITLE

- 6.1.25 Assist City staff—as necessary—in preparation of testimony, presentation of Study findings and other relevant evidence, and making recommendations to the governing body.
- 6.1.26 Analyze statistical disparities in M/W/S/P/D/BE business formation and projected growth rates. This may include the number of paid minorities and women in relevant companies;
- 6.1.27 Conduct an econometric analysis of statistical disparities concerning the access by M/WBE, ~~SBE, PDBE~~, DBE and ACDBE firms to commercial capital, credit, bonding, and business, family, and social networks, as compared to non- M/WBE, ~~SBE, PDBE~~, DBE, ACDBE firms. The analysis should control for other factors that may affect access and lending rates, such as size and net worth of the business;
- 6.1.28 Provide a statistical comparison of private sector utilization to availability categorized by industry and by major racial/ethnic and gender categories to determine any private sector disparity ratios in the relevant market area;
- 6.1.29 Evaluate the effectiveness of any race/gender neutral initiatives that have been used by the City;
- 6.1.30 Recommendations for activities to remedy the effects of any disparity identified and to reduce or eliminate any marketplace barriers that adversely affect the contract participation of M/WBE, SBE, PDBE, DBE, and ACDBE owned businesses and other activities of the City;
- 6.1.31 Propose actions to improve or modify the contracting and procurement processes of the City of Houston to ensure that all M/WBE, SBE, PDBE, DBE, and ACDBE owned businesses have a fair and adequate opportunity to participate in the procurement and contracting processes; and
- 6.1.32 Provide recommendations for narrowly-tailored race and/or gender-conscious measures to remedy identified ongoing effects of marketplace discrimination and to improve or modify the contracting and procurement processes so that all businesses have a fair and adequate opportunity to participate in the procurement and contracting processes even if no disparity is found.
- 6.1.33 Determine whether M/WBE goals should be disaggregated by race and ethnicity. Analyze and provide report on feasibility.
- 6.1.34 Development of recommendations, including, where appropriate, specific goals by construction, professional services, and goods and services categories, based on study findings, narrowly tailored to address the levels of discrimination, if any, found by the Study.

6.2 Work Plan

At the beginning of the Study and on a date mutually agreed by the Parties, Proposer should deliver a work plan to address timing and resource allocations for fourteen (14) major-work tasks:

- 6.2.1 Finalize Study work plan;
- 6.2.2 Provide detailed report including but not limited to validation of the data provided by the City, within forty-five (45) days of the start of the contract.
- 6.2.3 Conduct detailed review of applicable legal standards and requirements;

EXHIBIT II
Attachment “C”

**CITY OF HOUSTON CERTIFIED MWSBE SUBCONTRACTING
AGREEMENT TERMS**

Contractor shall ensure that all subcontracting agreements with M/WSBE Subcontractors and suppliers contain the following terms:

1. _____(M/WSBE Subcontractor/Supplier) shall not delegate or subcontract more than 50% of the work under this subcontracting agreement to any other Subcontractor or supplier without the express written consent of the City of Houston’s Office of Business Opportunity.
2. _____(M/WSBE Subcontractor/Supplier) shall permit representatives of the City of Houston, at all reasonable times, to perform 1) audits of the books and records of the Subcontractor, and 2) inspections of all places where work is to be undertaken in connection with this subcontracting agreement. Subcontractor shall keep such books and records available for such purpose for at least four (4) years after the end of its performance under this subcontract. Nothing in this provision shall affect the time for bringing a cause of action or the applicable statute of limitations.
3. Within five (5) business days of execution of this subcontracting agreement, Contractor (prime contractor) and Subcontractor shall designate in writing to the Office of Business Opportunity an agent for receiving any notice required or permitted to be given pursuant to Chapter 15 of the Houston City Code of Ordinances, along with the street and mailing address and phone number of such agent.

These provisions apply to goal-oriented and regulated contracts as defined in City Code of Ordinances, Chapter 15, Article 5.

The MWSBE policy of the City of Houston will be discussed during the pre-proposal conference. For information, assistance, and/or to receive a copy of the City’s Office of Business Opportunity policies and/or governing ordinance, contact the Office of Business Opportunity Division at 832.393.0600, 611 Walker Street, 7th Floor, Houston, Texas 77002.